

# **HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99**

## **MINUTES OF MEETING OF BOARD OF DIRECTORS**

**SEPTEMBER 15, 2020**

The Board of Directors (the "Board" or "Directors") of Harris County Water Control and Improvement District No. 99 (the "District") met in regular session, at 7:00 p.m., by Teleconference, on Tuesday, September 15, 2020, pursuant to notice of said meeting posted in accordance with the Governor's Executive Orders regarding holding Open Meetings via Teleconference for the protection of public health and safety during the COVID-19 pandemic; whereupon the roll was called of the members of the Board, to-wit:

Monte Lee Cooper	President
Billy Ray Fritsche	Vice President
Tim Evans	Assistant Secretary
Ed Jensen	Secretary/Treasurer/Investment Officer
Charles Leroy Richardson	Director/Operations Maintenance Officer

All members of the Board were present, thus constituting a quorum. Also attending all or portions of the meeting by teleconference were: Deputy Z. Ryan and Lt. Flores of the Harris County Constable's Office ("HCCO"); Karen Long of Equi-Tax, Inc., bookkeeper for the District ("Equi-Tax"); Pat Hall and Debbie Bessire of Equi-Tax, Inc., tax assessor-collector for the District ("Equi-Tax"); Andrew P. Johnson, III, and Marisa L. Roberts, legal assistant, attorneys for the District ("Johnson Petrov" and/or "Attorney"); Mike Plunkett of Eagle Water Management, Inc., operator for the District ("Operator" and/or "Eagle Water"); Sergio Van Dusen, P.E. and Caitlin Bobb, EIT of Vogt Engineering, L.P., engineers for the District ("Engineer" and/or "Vogt"); Tom Riddle, Bryan Vance, Laurie Garza, George Galindo, residents of the District.

The President, after finding that notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order and declared it open for such business as may regularly come before it.

1. Minutes. The Board reviewed the regular meeting minutes held on August 18, 2020; a copy of which was previously distributed to the Board.

Upon motion by Director Fritsche, seconded by Director Jensen, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting held on August 18, 2020.

2. Constable's Report. Deputy Ryan reviewed the August Constable's Report with the Board and responded to question from the Board. Director Fritsche asked for an update on the incident at Cotter and Whitewood. Deputy Ryan replied that this case was still under investigation.

3. Bookkeeper's Report/Investment Report/Energy Usage Report. Ms. Long presented to and reviewed with the Board, the Bookkeeper's Report, Investment Report and Energy Usage Report for the previous month, copies of which are attached hereto collectively as Exhibit "A."



a. Ms. Long reported that TexPool is paying 0.1768% interest and the net asset value is 1.00025%. Ms. Long stated that the final bills from Reliant as well as the initial bills from Hudson and that she would monitor the Hudson invoices to make sure they adhere to what the District agreed upon.

Upon motion by Director Fritsche seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board 1) approved the Bookkeeper's Report, Investment Report, and Energy Usage Report, as presented, 2) authorized the payment of checks numbered 12425 through 12452 from the Operating Account.

4. Tax Assessor-Collector's Report.

Resolution Concerning District Characterization for 2020 Tax Year, a copy of which is attached hereto as Exhibit "B". Mr. Johnson stated that the legislature has made it more difficult for taxing units to raise taxes and he stated that the District's Engineer completed a questionnaire, which determined that the District should be characterized as a "Developing District," as defined by the recently amended Texas Water Code, Section 49.23603, in which an annual tax increase that does exceed 8%, is subject to an election only if the District receives a petition from the required number of residents under the Water Code. Mr. Johnson explained that this means that not more than 90% of the District's facilities have been constructed and financed, but once the Districts starts levying maintenance taxes, the District will be under the old rules for levying an increase in taxes more than 8% without a rollback election, whereas if the District were characterized as a Developed District, the maximum tax levy increase would be 3.5%.

Mr. Johnson recommended the Board adopt this resolution and stated that this will be an annual item.

Upon motion by Director Jensen seconded by Director Fritsche, after full discussion and with all Directors present unanimously voting aye, the Board approve and adopt the Resolution Concerning District Characterization for 2020 Tax Year as a Developing District.

Next, Mr. Johnson stated that since the TCEQ has not reported out the bond issue, it is not recommended that the District levy a tax at this time.

Ms. Hall stated that Equi-Tax will continue to keep the tax roll current and communicating with the appraisal board monthly, she would like amend the current contract to reduce the monthly fee from \$600 to \$200 per month to maintain the tax roll, so that when the District is ready to sell bonds, the tax roll will be current and Equi-Tax can provide the appropriate documents Ms. Hall stated that she had spoken to Director Fritsche regarding the reduction in the monthly fee. Director Fritsche stated he would like to go ahead and approve the amended contract until such time that the bonds have been approved.

Upon motion by Director Fritsche seconded by Director Evans, after full discussion and with all Directors present unanimously voting aye, the Board accepted an amendment to the Equi-Tax Service Contract from \$600 per month to \$200 per month.

Ms. Bessire stated there is nothing new to report. Ms. Hall explained that a report will be sent monthly when values change, and until such time when the District sells bonds and levies a tax.



Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board approved the Tax Assessor-Collector Report.

5. Operator's Report. Mr. Plunkett presented the Operations Report, a copy of which is attached hereto as Exhibit "C."

Mr. Plunkett stated that there was no pumpage from Well No 1, as it is off-line during the hot period of the year. Mr. Plunkett reported the average daily flow at the sewer plant during the previous month was 75,000 G.P.D. He also reported the pumped to billed ratio was 93.24% at the water plant. There were no excursions reported for the month of August.

Mr. Plunkett next presented the Monthly Light Fixture Review, a copy of which is attached to the Operator's Report.

Mr. Plunkett also stated that Blower #2 work has been completed and working well.

Mr. Plunkett presented and reviewed the disconnection list and stated that there are ten (10) accounts unpaid to date. Mr. Plunkett requested the Board authorization termination of the ten (10) accounts for non-payment. Mr. Plunkett requested the Board authorization five (5) accounts that be turned over to a collection agency.

Upon motion by Director Fritsche, seconded by Director Evans, after full discussion and with all Directors present voting aye, the Board, 1) approved the Operator's Report; and 2) after confirming with the Operator that notice had been delivered by the Operator to each person on the list notifying them that they could appear before the Board to discuss termination of services and that services could be terminated at any time after this meeting, and determining that no one appeared at the meeting for such purpose, the Board approved the termination list and authorized the Operator to terminate service as required by the Rate Order to all customers who appear on the list and 3) authorize five (5) accounts turned over to a collection agency.

6. Engineer's Report. The Engineer's Report was presented and reviewed by Mr. Van Dusen, a copy of which is attached as Exhibit "D".

Mr. Van Dusen reviewed the Engineer's Report with the Board. He responded to questions from the Board.

Waterline Extension Along Cypresswood. Mr. Van Dusen stated that Harris County has approved the Cypresswood waterline extension plans, but since City of Houston (the "City") is experiencing a back log, so he anticipates approval from the City sometime in November.

New Wastewater Treatment Plant. The plans are approximately 90% complete. He anticipates another month.

HCFCDC Casper Drive Road Repair. Mr. Van Dusen stated that he did receive plans from the County for minor spot repair, but he is concerned about the HCFCDC Casper Drive Road Repairs. He stated that he has been corresponding by email and he continues to document the road damage by the contractor, but he thinks it might be time for Johnson Petrov to communicate with HCFCDC regarding the damages to the road by the contractor. Mr. Van Dusen stated he will share some photos with Johnson Petrov and the Board. Director Fritsche stated that the Board would agree that spot repair would not work for the damage done.



Vogt Engineering and Eagle Water documented 230 equivalent single axel loads and the weight of the trucks and determined that 11 years of damage was done in 6 months by the contractor. There is a lot of damage

Bond Application Report. Mr. Van Dusen stated that we are on the schedule for October. He stated he did speak to the reviewer and explained the District's has aging infrastructure. He anticipates TCEQ approval soon.

Sanitary Sewer Crossing Lemm Gully. Mr. Van Dusen stated he shared the report with Narejo Engineering, as they are an erosion expert. Director Richardson asked for a cost estimate if a sanitary line was bored under Lemm Gully with a lift-station instead of a siphon or gravity flow. Mr. Van Dusen explained that this is a substantial lift station, it would be in the flood way with the lift station and it would need some flood protection, and a generator. It would be very expensive.

Lynwood Estates Subdivision Drainage Assessment and Michael Baker Report on Cypress Creek. Mr. Van Dusen stated that Vogt Engineering prepared a letter in support of the Resolution. Mr. Van Dusen requested a correction to the August 18, 2020 minutes to reflect that the Board approved a Resolution in support of the Michael Baker International Cypress Creek Watershed Major Tributaries Regional Drainage Plan Update Bond Projects CI-20,CI-35, Alternative IV of HCFCD Project ID:K100-00-00-P005 (the "Resolution"), and authorized Vogt Engineering to prepare the letter.

Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board approved Resolution in support of the Michael Baker International Cypress Creek Watershed Major Tributaries Regional Drainage Plan Update Bond Projects CI-20,CI-35, Alternative IV of HCFCD Project ID:K100-00-00-P005 (the "Resolution") along with a letter to HCFCD regarding same.

Spring ISD Annexation. Mr. Van Dusen stated that the attorney for Spring ISD requested Vogt Engineering was asked to look at McNabb Elementary and the school facilities on W. Hardy Road. He stated that it looks as though the District could serve those without much impact.

Sanitary Control Easement. No new updates.

Director Fritsche inquired about the detention ponds that HCFCD plans to install to the west of the District, and asked how does that benefit Lemm Gully? He stated that in viewing the plans, it seems the flow path seems to go against the natural flow. Mr. Van Dusen explained.

Director Jensen asked for clarification on the Spring ISD annexation request and McNabb and Salyer's Elementary, is the District supposed to provide water and sewer to those schools? Mr. Van Dusen stated that the property on W. Hardy is a bus barn. Mr. Van Dusen stated we just answer if the District can serve them, it's up to them to determine how they get to the District as far as connecting into the District's system. Discussion ensued on if there are other potential customers that the District might serve along W. Hardy, to which Mr. Van Dusen responded, yes.

Upon motion by Director Fritsche, seconded by Director Jensen, after full discussion and with all Directors present unanimously voting aye, the Board approved the Engineer's Report.

7. New Business.

- a. Election Agenda. There are no election updates to report at this time.

8. Old Business.

a. Annexation Request by Spring ISD (the "School District"). Mr. Johnson requested a status report. Vogt Engineering is analyzing the data regarding Spring ISD's request to include District services to McNabb Elementary and the bus barn on W. Hardy, which was also discussed under the Engineer's Report (see above).

b. Update on DreamLab Development LLC. Mr. Johnson stated that DreamLab has closed on the sale to Fidelis, and also has closed on the financing of the apartments, so we should start to see some construction activity. DreamLab has also signed the documents required by the Covenants, Conditions and Restrictions ("CCRs") that says that Dreamlab agrees to provide the amenities and exterior construction materials, the architect has sworn that those same amenities have been designed into the project, and the President has signed the Certificate accepting the plan presented for amenities and exterior construction materials as required by the Restrictions. Mr. Johnson stated that he does not believe DreamLab is still asking for the District to sign an Estoppel Certificate, but should DreamLab request the District to sign an Estoppel Certificate, Mr. Johnson stated that he has no reservations with the District signing one.

c. Communications to Residents. Director Fritsche reminded the Board that this is a follow-up from the prior month. He stated that at the suggestion of Mr. Plunkett, a memorandum could be included in the customer invoices at a cost of \$75.00.

Upon motion by Director Jensen, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board approved submission of communications to the residents in the customer invoices.

9. Public Comment.

Members of the Board and the public were given an opportunity to speak under Public Comment.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,**  
the meeting was adjourned at 8:05 P.M.



**Pay the Bills:** As previously approved by the Board, the following bills were paid:

**Checks Written on Operations Account #0751-690363**

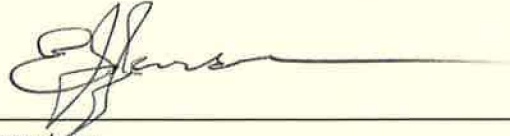
**Harris County WCID #99 GOF**

**Checks Presented**

**September 15, 2020**

Num	Name	Description	Amount
12425	Billy R Fritsche	Director Fee	-138.52
12426	Charles L Richardson	Director Fee	-300.22
12427	Monte L Cooper	Director Fee	-138.52
12428	Timothy P. Evans	Director Fee	-138.53
12429	Center Point Energy 4610016-0	Utilities	-33.64
12430	CFI Services Inc	STP Maintenance	-448.78
12431	Direct Waste Solutions	Garbage Collection	-9,105.00
12432	DXI Industries, Inc.	Chemicals	-204.68
12433	Eagle Water Management, Inc.	Operator Fee	-9,955.32
12434	Election Systems & Software LLC	Election Expense	-3,259.82
12435	ETI Bookkeeping Services	Bookkeeping Fee	-1,024.87
12436	Harris County Treasurer	Security	-6,046.00
12437	Hudson Energy 300046453	Utilities	-181.51
12438	Hudson Energy 300046454	Utilities	-2.83
12439	Hudson Energy 300046455	Utilities	-282.01
12440	Lawns & More	Mowing	-720.00
12441	Neil Technical Services Corp	Maintenance & Repairs	-1,950.00
12442	North Harris County Regional Water Author	NHCRWA	-39,950.00
12443	Reliant Energy 1 499 574-0	Utilities	-18.07
12444	Reliant Energy 1 500 965-7	Utilities	-2,323.56
12445	Reliant Energy 1 605 184-0	Utilities	-1,538.27
12446	Source Point Solutions, Inc.	Maintenance & Repairs	-9,099.00
12447	Verizon	Telephone	-64.80
12448	Vogt Engineering	Engineering Fee	-17,948.69
12449	Waste Connections of Texas	STP Dumpster	-251.66
12450	Ervin Schilhob	Customer Deposit Refund	-150.00
12451	Leo Theiss	Customer Deposit Refund	-36.06
12452	Oscar Rene Ramos	Customer Deposit Refund	-146.54
<b>Total</b>			<b>-105,526.88</b>

**PASSED AND APPROVED** on the 20th day of October, 2020.



Secretary  
Board of Directors

**EXHIBITS:**

- A - Bookkeeper's Report, Investment Report,  
Energy Report
- B - Resolution Concerning District Characterization for 2020 Tax Year
- C - Tax Assessor-Collector's Report
- D - Operations Report
- E - Engineer's Report

**Minutes recorded by Marisa L. Roberts**  
**Johnson Petrov LLP**  
**Regular Session September 15, 2020**

